

## Message Text

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71

ACTION SCI-06

INFO OCT-01 EUR-25 EA-11 IO-13 ISO-00 ACDA-19 CIAE-00

INR-10 L-03 NSAE-00 NSC-10 RSC-01 SCEM-02 EB-11

COME-00 DODE-00 PA-03 USIA-15 PRS-01 SPC-03 DRC-01

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R 241725Z SEP 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5766

INFO AEC GERMANTOWN 866

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY BERN

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

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FOR A.S. FRIEDMAN, DIP, AEC GERMANTOWN

E.O.11652: GDS

TAGS: TECH, FR

SUBJECT: SEPT 18 URANIUM ENRICHMENT MEETING

REF: EC BRUSSELS 5119

SUMMARY: DIFFUCION PROPONENTS EXPANDED ON THEIR VIEWS AT BERN  
MEETING FOLLOWING SIMILAR MEETING BY CENTRIFUGE ENRICHMENT GROUP

TWO WEEKS EARLEIR. CEA STRESSED FLEXIBILITY THEY WERE WILLING  
TO OFFER POTENTIAL CUSTOMERS AND PRICE OF 200 FF PER SWU.

CONTRACT TERMS OF EURODIF GROUP WERE NOT REPEAT NOT GIVEN.

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END SUMMARY.

1. SEPT 18 MEETING IN BERN SPONSORED BY SWISS ASSOCIATION FOR ATOMIC ENERGY WAS FOLLOW-UP TO SEPT 6 CENTRIFUGE MTG (SEE REFTTEL) AND GAVE PROPONENTS OF GASEOUS DIFFUSION TECHNOLOGY THEIR TURN TO GARNER SUPPORT FOR A EUROPEAN ENRICHMENT CAPABILITY.

2. THREE PAPERS WERE PRESENTED DEALING WITH EURDIF, FRENCH TECHNIQUE OF ENRICHMENT BY DIFFUSION AND CEA'S COMMERCIAL POSTURE. NO COPIES OF THE PAPERS WERE AVAILABLE BUT THEY WILL BE PRINTED NEXT MONTH IN THE SWISS ASSOCIATION BI-WEEKLY NEWSLETTER.

3. EURODIF PAPER GAVE PROJECT BACKGROUND AND REITERATED STATEMENT THAT FIRM DECISION ON PLANT CONSTRUCTION MUST BE MADE BEFORE YEAR END. WITHDRAWAL OF TROIKA (U.K., GER., NETH.) FROM EURODIF STUDY GROUP LAID TO BUDGETARY RESTRAINTS AND NOT TO LACK OF TECHNICAL OR ECONOMIC ENTHUSIASM. ESTIMATE OF FREE WORLD NEEDS IN 1985 WAS 65 MILLION SWU OR ABOUT 40 MILLION SWU MORE THAN COULD BE PROVIDED BY CURRENT USA DIFFUSION PLANTS AFTER INCORPORATION OF CIP AND CUP CAPACITY ADDITIONS. POINT MADE THAT AEC CANNOT CONTRACT FOR MORE WORK THAN PLANNED CAPACITY (27.5 MILLION SWU) CAN ABSORB AND THAT UTILITIES HAD BEST BE PREPARED TO PROTECT THEMSELVES. EURODIF SCHEDULE IS TO HAVE 3 MILLION SWU ON LINE BY 1978 FOLLOWED BY 7.2 MILLION SWU IN 1980 AND 9.3 MILLION SWU BY THE END OF 1981. FINAL PLANT COMPLETION DATE MIGHT SLIP 1-2 YEARS BUT SEVERAL MILLION SWU'S WOULD BE AVAILABLE TO SERIOUS BUYERS. (COMMENT: THIS WAS LATER CLARIFIED BY CEA'S STATEMENT TO BACKSTOP EURODIF EFFORTS WITH PIERRELETTE OUTPUT AND PRE-PRODUCTION STOCKS.)

4. TECHNICAL PAPER ON FRENCH DIFFUSION TECHNOLOGY INCLUDED SEVERAL COLOR SLIDES OF MAJOR COMPONENTS BUT LITTLE TECHNICAL DATA. STRESSED RELIABILITY OF DIFFUSION PROCESS AND THAT 5,000 HOURS OF TESTING COMPLETED WITH 98 PER CENT AVAILABILITY ON PILOT PLANT. ONE "GROUP" CONSISTS OF 20 STAGES AND CAN BE ISOLATED FROM THE REST OF THE CIRCUITRY IN CASE OF REPAIRS. STATEMENT MADE THAT BARRIER EFFICIENCY INCREASED 3-4-FOLD IN LAST TEN YEARS AND THAT FURTHER IMPROVEMENT COULD BE EXPECTED. OPINION EXPRESSED LIMITED OFFICIAL USE

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THAT DIFFUSION WAS NOT A DEAD-END TECHNOLOGY AND THAT FURTHER OVERALL PLANT EFFICIENCY COULD BE ATTAINED. SLIDES SHOWN INCLUDED OVERALL VIEW OF PIERRELATTE COMPLEX, LARGE VALVES, COMPRESSORS, AND HEAT EXCHANGERS.

5. THE FINAL PAPER WAS GIVEN BY PIERRE TARANGER, CEA'S DIRECTOR OF PRODUCTION. TARANGER STATED THAT CEA RPT CEA WAS PREPARED TO NEGOTIATE CONTRACTS FOR THE DELIVERY OF ENRICHED URANIUM

STARTING IN 1976. THE OVERRIDING THEME WAS THAT CEA WAS WILLING TO BE VERY FLEXIBLE AND WOULD DO ANYTHING REASONABLE TO MEET CUSTOMER NEEDS. AS SUCH, NO STANDARD CONTRACT EXISTS. THE MAIN CONTRACT POINTS WERE:

- A. A PRICE OF 200 FRANCS/SWU
- B. PAYMENT PREFERRED IN FRANCS BUT WOULD BE ACCEPTED HALF IN FRANCS AND HALF IN CUSTOMER'S CURRENCY.
- C. ESTABLISH A TENTATIVE ORDER INDICATING: TAILS ASSAY, QUANTITY, AND DELIVERY DATE.
- D. WITHIN 3-4 YEARS (AND TWO YEARS PRIOR TO DELIVERY) ESTABLISH FIRM TAILS ASSAY AND QUANTITY OF MATERIAL.
- E. CHANGES FROM ORIGINAL ESTIMATE OF PLUS OR MINUS 10-15 PERCENT WOULD BE ACCEPTED AT NO CHARGE.
- F. DELIVERY DATE COULD BE DELAYED IF CUSTOMER WOULD PARTICIPATE IN CARRYING CHARGES.
- G. ADDITIONAL CHANGES OF PLUS OR MINUS 5 PERCENT COULD BE ACCOMMODATED UP UNTIL SIX MONTHS PRIOR TO DELIVERY AT A NOMINAL CHARGE (ABOUT 2 PERCENT PRICE INCREASE).

6. QUESTION AND ANSWER PERIOD FOLLOWED BUT WAS VERY MEAGER. TARANGER SAID HE COULD NOT DISCUSS EURODIF'S CONDITIONS OF SUPPLY ONLY CEA'S. HE DID SAY THAT CEA STOOD READY TO SUPPLY ALL ENRICHMENT ORDERS UNTIL EURODIF CAPACITY CAME ON LINE AND THAT THE CEA HAD 2-3 MILLION SWU AVAILABLE THAT COULD BE USED FOR THIS PURPOSE. THIS BACKING COULD ALSO BE EXPANDED BY CHANGING THE TAILS ASSAY.

7. REPLYING TO QUESTION ON ADVISABILITY OF USING DIFFUSION IN LIGHT OF CENTRIFUGE TECHNOLOGY PROGRESS, TARANGER SAID DEVELOPMENT ON DIFFUSION WAS STILL CONTINUING AND NO REASON TO ASSUME THAT FURTHER PROGRESS COULD NOT BE MADE.

8. TOTAL QUESTION AND ANSWER PERIOD LASTED ABOUT TWENTY MINUTES. LIMITED OFFICIAL USE

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GREENWALD

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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